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## Puerto Rico gov says he didn't defy fiscal board by paying the Christmas bonus

By [CyberNews](#) on December 5, 2018



NARANJITO, Puerto Rico — Gov. Ricardo Rosselló Nevares said Wednesday that he did not defy the island's fiscal control board (JCF) for paying the Christmas bonus to public employees.

"It's not us challenging the Board, it is the Board challenging the government of Puerto Rico. My criterion is I am going to do what, in my opinion, is best for the people of Puerto Rico," the governor told the press.

"This stems from the Board thinking it's a gift. It's not. If you compare the salary of a Puerto Rican teacher, it is two to three times lower. The Christmas bonus is part of that commitment so that this inequality is not so great, and if they could understand that, they would be less resistant," he added.

The governor said the payment of the year-end statutory bonus will be given despite the fiscal board warning the government on several occasions that it cannot pay it.

The secretary of Public Affairs and Public Policy, Ramón Rosario Cortés, said, "Today, a large part of our public employees saw reflected the direct deposit of their Christmas Bonus in their bank accounts. Others will see it reflected tomorrow (Thursday) as well as what they charge in checks. The governor has instructed public corporations to make adjustments to pay this right that is part of the salary of our workers."

However, fiscal board Executive Director Natalie Jaresko issued the following statement:

"As referenced in a November 14, 2018 letter to Governor Rosselló, the certified Fiscal Plan for the Commonwealth calls for the elimination of the Christmas bonus as part of cost reductions in Payroll and Related costs as a measure to avoid more drastic measures, and the certified budget reflects that the Commonwealth would not pay a Christmas bonus. The certified budget for the Commonwealth requires that the Commonwealth not exceed the total amount budgeted for Payroll and Related concept of spend.

"As the Commonwealth proceeds to pay a Christmas bonus to its employees this year, each agency will have to achieve an equal amount of savings within the Payroll and Related allocation to offset such an expenditure. Failure to achieve the requisite savings in the Payroll and Related concept of spend may result in Commonwealth agencies exhausting their Payroll and Related allocation in the certified budget before the end of fiscal year 2019, imperiling the Commonwealth's ability to make payroll for its employees. We will continue to monitor spending and will evaluate whether to take any corrective actions.

"Puerto Rico has accumulated debt beyond the Commonwealth's ability to repay, and has suffered from decades of financial mismanagement and ineffective delivery of government services. PROMESA [Puerto Rico Oversight, Management, and Economic Stability Act] was adopted specifically to respond to this situation. The Board has been charged with bringing the Island back



to fiscal balance and returning market access to the Island. These mandates require many policy changes and implementation of hundreds of measures and structural reforms. Success for Puerto Rico, the end of the Board's mandate, and a return to economic growth and hope are only possible with the Government's steadfast cooperation."

Treasury Department Teresa Fuentes had said that "the disbursement of \$85.3 million was due to the effort by government agencies in their fiscal adjustments and the efficiencies that reflect an increase in revenues. This, without affecting the budget and the Fiscal Plan. Also, it is a boost for the economy and society...."

-Caribbean Business contributed to this report.



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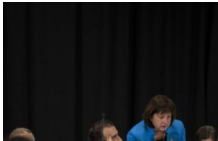
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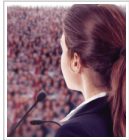
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